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After impact fee vote, North Port faces a \$50 million question

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NORTH PORT -- At the end of Monday night's meeting, city commissioners were patting themselves on the back, with one declaring the debate and vote against tripling fees on new construction "an example of true democracy."

But Tuesday morning there was no celebration by city administrators, who found themselves back to square one, with a budget full of question marks.

Call it the \$50 million question.

That was the amount that the proposed increase would have brought into the city's coffers for much-needed projects: widening of Price Boulevard, building new little league fields, expanding and designing fire stations, buying police cars and constructing a social service building.

So hopeful were city administrators that the increase in impact fees would be approved they earmarked the money to pay for projects in next year's budget.

Those projects could be in jeopardy.

"We don't know the impact of it yet," City Manager Steven Crowell said.

While the City Commission voted 3-2 against the ordinance that would have added nearly \$6,000 to the cost of a new home, commissioners did leave the door open for some kind of impact fee increase. Later this month, the commission will discuss phasing in the increase over the next two years.

The idea is to raise the building fees by 50 percent this fall and 50 percent in a year -- a compromise reached Monday that the city-hired consultant said was "pretty good."

"I don't think that's necessarily bad," said James Duncan, president of Duncan Associates, the firm hired to study the city's impact fees. "The number of building permits over the next 12 to 18 months will be minimal. And by the time the market turns around, their fees will be in place."

Yet the compromise proposed by commissioners is far from a certainty. Several times in recent years, including the early build-up to this week's vote, city commissioners have stated support for increasing taxes or fees, only to back off in the face of fierce opposition from the building industry.

When faced with a similar decision in 1999, the board opted to raise fees only slightly and vowed to

In jeopardy?

Projects in North Port that could be affected by the City Commission's decision on Monday against tripling the impact fees for new construction:

- Widening of Price Boulevard
- Construction of new Little League fields
- Expansion and design of fire stations
- Purchase of police vehicles
- Construction of a social services building

revisit increases, but they never followed through.

As a result, the city lost out on more than \$7 million and fell behind on improving roads, creating parks and building fire stations.

Members of the local building industry said they will keep up the pressure, trying to convince the commission to spread out the increase even further.

"It's not the builders who pay this. It's the homeowners," said Robert Coats, president of the North Port Contractors Association. "Any time you add money, you preclude somebody from getting a home in the market."

Already one commissioner, Vanessa Carusone, agrees the impact fee increase should be stretched over four years. Commissioners Rue Berryman and Richard Lockhart, who sided with her against the full proposal, may follow suit.

Residents, however, fear without impact fee increases they will end up carrying the financial burden in the form of higher taxes.

"They're not listening to the people and they're voting special interest groups," said Steve Liljegren, president of the North Port Citizens Alliance, the city's largest resident group.

The next meeting on impact fees is shaping up to be an equally intense battle, much like Monday's three-hour debate that drew a large crowd of both builders and residents. At times, there were outbursts from the opposing groups, criticizing each other and the commissioners.

The discussion over impact fees is likely to overlap with budget presentations and interfere with the city's ability to plan for the future, some say.

"How can the city put a budget together if they don't know what they're dealing with," City Commissioner Fred Tower said.
